

Biosolids Funding Work Group June 7, 2012, Meeting Summary

Participants:

Ed Klopf, City of Midland WWTP
Deb Pello, Ispheming Area WWTP (conference call)
James Urbanik, City of Detroit Water and Sewer
Jeanette Best, City of Saginaw WWTP
Joe Goergen, Genesee County WWS
Kim Hackbardt, Grand Valley Regional Biosolids Authority
Kurian Joycan, Ypsilanti Community Utility Authority
Steve Mahoney, MDARD
Wayne Whitman, MDARD
Richard Beardslee, Battle Creek WWTP
Rodney Clifton, Battle Creek WWTP
Richard Kane, Delta Township WWTP
Tom Morrissey, Delta Township WWTP
Kari Saganski, Michigan Water Environment Association
Sandra Diorka, Delhi Township
Mike Wetzel, Kalamazoo Wastewater Treatment Plant
Mike Person, DEQ
Jim Sygo, DEQ
Liane Shekter Smith, DEQ
Steve Sliver, DEQ
Ric Falardeau, DEQ

Meeting Materials:

Biosolids Charts

- Charge per ton (1998 to 2010)
- Biosolids Land Applied (1997 to 2011)

Biosolids Staffing and field inspections Map by District Office

Biosolids Program Fees by State Summary

Meeting Summary Notes:

- Each participant introduced themselves and who they represent.
- The objectives of the workgroup were discussed: to identify the level of service we want from the program and how best to fund it.
- An explanation was provided on the funding of DEQ programs. Around fiscal year 2001 there was approximately \$100 million provided in general funds to support DEQ programs. Over the last ten years there has been an approximately 80% decrease in the amount of general funds provided to the DEQ and a shift to implement more fee based programs. Over the same time year period, the DEQ has had an overall staffing reduction of

approximately 1450 employees to 1100 today. Presently, the DEQ implements approximately 58 different fee based programs. Traditionally, general funds were used to cover overhead for each program. With the reduction in general funds, now each program (restricted fund source) is responsible for covering its share of the associated overhead costs. Presently it costs approximately \$150,000 per Full Time Equivalent (FTE) employee when everything is included to support the employee such as wages, benefits, office, managerial, secretarial, computers and vehicles.

- There was a short discussion on the necessity to fund a biosolids program that provided incentives to facilities that create and beneficially use exceptional quality biosolids and those that use biosolids for energy production.
- There was a discussion on the chart of Biosolids Land Applied from 1997 to 2011 and the reductions in tonnage land applied noted in 2010 and 2011. Discussion centered on whether this was attributable to a trend toward more landfilled biosolids or is it reflective of other factors such as less lagoon cleanings in the state or lower flows at the wastewater treatment plants. In the next meeting the DEQ will provide a summary of landfilled tonnage over the same period to see if there has been an increase over the same time period.
- A concern was expressed that possibly biosolids funds were being utilized to support other DEQ programs.
- There was a discussion on ways to reduce the financial burden on biosolids land applying facilities. Ideas included expanding the oversight to include other programs and include fees on other regulated beneficially reused residuals, telecommuting for field staff to reduce office costs and include fees for all generators of sewage sludge. There was also discussion on the feasibility for facilities to get reimbursed from farmers for trucking costs associated with land applying biosolids. Some participants felt that it would be feasible due to perceived benefits of biosolids in the agricultural community and the increase in commercial fertilizer costs. Other participants felt that it would not be feasible in some areas of the state due to competition for land from other beneficially reused residuals such as manure.
- The DEQ will provide a rough workload analysis of biosolids staff time.
- A short overview was provided on the Michigan biosolids land application program. A historical perspective was presented on how the current program developed and the original intent of the program. This was compared to how the Michigan biosolids program is administered today. Feedback was solicited from the group. A land application facility indicated that the program implementation has been very successful and is administered very close to the original vision of the program when it was conceptualized in the mid-90s. A land application contractor agreed but

Biosolids Funding Work Group
June 7, 2012, Meeting Summary
Page 3 of 3

felt that with the reduction in FTEs that there has been a reduction in efforts toward public education in the last few years. Concern was also expressed that there is not enough consistency with implementation of the program statewide. There was also a discussion on the legality of requiring 6 months storage to reduce the amount of wintertime land application.

- There was discussion about the increase in biosolids fees that occurred in fiscal year 2011 to \$12.92 a dry ton. One land applying facility indicated that it is currently less expensive to landfill biosolids than it is to land apply biosolids because of the biosolids fees. They felt for their facility when the DEQ fees got to around \$10 a ton was the point where landfilling became less expensive than land application. Discussion centered on the fact that there is a wide disparity in landfill tipping fees across the state. DEQ will research and attempt to summarize the tipping fees assessed across the state.
- The DEQ committed to creating a Biosolids Funding Workgroup website that will include all the meeting notes and materials distributed to the participants.
- It is the intention to have a more in depth presentation and discussion of more detailed budgetary information as part of the next meeting.
- There was a discussion on the need for future workgroup meetings. The group agreed to try to meet about every 4 weeks. The DEQ will send out a survey to determine the best date for the next meeting when most participants can attend. When the date for the next meeting is determined an email will be distributed to all participants and will include the website link to access information.